

LIMITED SOURCES JUSTIFICATION

ORDER >\$3,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 695-14-3-969-0140

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

Restricted to the following source: Provide original manufacturer's name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, ALSO provide dealer information.)

Manufacturer/Contractor: CareFusion Solutions, LLC

Manufacturer/Contractor POC & phone number: Julie Lucero, Portfolio Specialist, (858) 617-6236

Mfgr/Contractor Address: 3750 Torrey View Court, San Diego, CA 92130-2635

Dealer/Rep address/phone number: Mark Wagner (847) 253-8765

☒ The requested material or service represents the minimum requirements of the Government.

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

NCO-12

Great Lakes Acquisition Center

115 S. 84th St., Ste 100

Milwaukee, WI 53214-1476

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

Justification and approval for other than full and open competition for the purchase of previously leased equipment against schedule 65 contract V797P-4012B with CareFusion Solutions, LLC for the procurement of the Pyxis MedStations and Supply Stations along with a base plus four option year contract service agreement at the Clement J. Zablocki VA Medical Center, in Milwaukee, WI and the Milo C. Huempfer Clinic in Green Bay, WI.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

The Milwaukee VA Medical Center and the Green Bay Clinic are presently leasing the Pyxis CCE Supply Stations and MedStations and is requiring purchasing of the equipment, to include all the service and maintenance required of the system.

(b) ESTIMATED DOLLAR VALUE: \$1,391,299.00

(c) REQUIRED DELIVERY DATE: 6/30/2014

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.

☒ Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.

The Pyxis system is the only system that is compatible with VistA, Windows 7 Operating System, and the Pyxis software which will allow for a direct transition into the automated medication and supply dispensing systems at the Milwaukee VA Medical Center and Green Bay Clinic.

CareFusion Solutions, LLC is the only manufacturer and distributor and currently provides the equipment under a lease of the Pyxis CCE Supply Stations and MedStations. Carefusion Solutions, LLC. currently does not have any distributors that provide main frame equipment and parts. CareFusion Solutions, LLC does not have any sub-contractors trained or certified to perform any of the service or maintenance required of the Pyxis dispensing equipment and software.

☒ A patent, copyright or proprietary data limits competition. The proprietary data is:

As the product manufacturer CareFusion Solutions, LLC holds proprietary rights over the Pyxis software and hardware. This software and hardware is critical to ensure continued compatibility with the existing interfaces between the Inventory Management and Pharmacy dispensing units and the Veterans Health Information Systems and Technology Architecture (VistA) in which medical prescriptions and supply requirements are submitted and then directly transferred to the Pyxis units for use.

☐ These are "direct replacements" parts/components for existing equipment.

☐ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

☐ The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

☐ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

In accordance with 8.404(d) the prices delineated under CareFusion Solutions, LLC contract V797P-4012B awarded by the National Acquisition Center have been determined to be fair and reasonable and is congruent with the governments IGCE for this procurement.

The remaining life expectancy of the current Pyxis system is 10 years and the estimated cost to continue the lease of the current Pyxis system for seven years is \$7,059,971.76 and the cost to purchase the existing equipment including service and maintenance over the same time period is \$1,518,427.00.

The cost to purchase new equipment including services in line with current FSS pricing for five years is \$2,016,892.00. This price includes a 15% discount for equipment and a 10% discount for services.

It is determined to be in the best value of the government to purchase the existing leased equipment versus purchasing new equipment as there is a total of a 69% discount over the current FSS pricing. It is also determined to be in the best value of the government to purchase the existing equipment versus continuing to lease the equipment as the cost saving of a base year with four option years (with services) is \$3,608,681.00.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

A search of the VA NAC and GSA Advantage contracts identified 30 contractors under schedule 65 II A Medical Equipment and Supplies category A-92 but from this number only five provided any type of dispensing equipment. Although some vendors do provide dispensing equipment only Pyxis is able to service and provide the equipment that will meet the minimum needs at the Milwaukee VA Medical Center and Green Bay Clinic.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

The cost saving for purchasing the equipment versus continuing the lease for a base year with four option years is \$3,608,681.00.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

The current Pyxis system is proprietary to CareFusion Solutions, LLC and no other system is compatible. Subsequent acquisitions for medication and supply dispensing systems may be required to have open source formats that the VA owns to ensure more competition from potential vendors.

(9) **REQUIREMENTS CERTIFICATION:** I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

william.staffo
rd2@va.gov

Digitally signed by
william.stafford2@va.gov
DN: cn=william.stafford2@va.gov
Date: 2014.06.11 13:42:46 -05'00'

6/11/2014

SIGNATURE

DATE

William Stafford

Associate Chief of Pharmacy

Pharmacy

NAME

TITLE

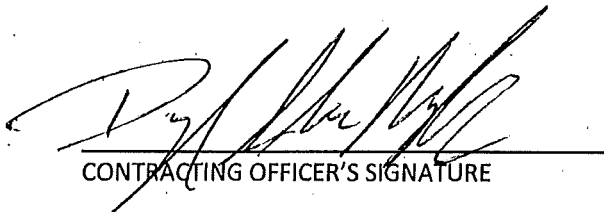
SERVICE LINE/SECTION

Clement J. Zablocki VA Medical Center

FACILITY

(10) **APPROVALS IN ACCORDANCE WITH FAR 8.405-6(d):**

a. **CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.


CONTRACTING OFFICER'S SIGNATURE

6/11/2014
DATE

Darryl Mahaffy, Contracting Officer

NCO-12
FACILITY

c. **NCM/PCM/DESIGNEE:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

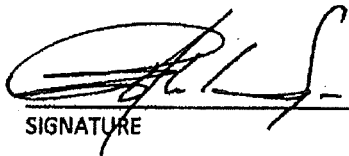
Christine Hansen
SIGNATURE

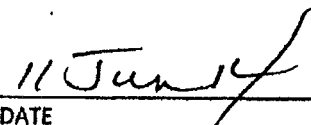
6/11/2014
DATE

Christine Hansen
Director of Contracting, Network Contracting Office 12

HIGHER LEVEL APPROVAL (Required For orders over \$650,000):

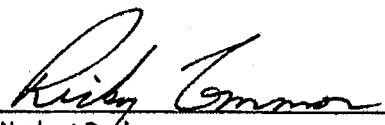
e. **SAO:** I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

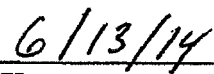

SIGNATURE


DATE

Randy Hays
ACTING DIRECTOR, SAO Central

f. **VHA HCA REVIEW AND APPROVAL (over \$650,000 to \$12.5 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4


for Norbert Doyle
Chief Procurement and Logistics Officer
VHA Head of Contracting Activity (HCA)


DATE